

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ARIZONA CORPORATION
UTILITIES DIVISION

APR - 2 2003

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02479A
Lord Arizona Water Systems Inc.
2961 E. Cooley
Show Low AZ 85901

ANNUAL REPORT

*Enter
6-4-03
in m.*

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN 04	02
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COMPANY INFORMATION

Company Name (Business Name) <u>Lord Az Water Systems Inc.</u>			
Mailing Address <u>2961 E. Cooley</u>			
<u>Show Low</u>	<u>Az</u>	<u>85901</u>	
(City)	(State)	(Zip)	
<u>928) 5371557</u>			
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____			
Local Office Mailing Address _____			
(Street)			

(City)	(State)	(Zip)	

Local Office Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>Lordh2oco@aol.com</u>			

MANAGEMENT INFORMATION

Management Contact: <u>Thomas V. Lord</u>			
(Name)		<u>Pres</u>	
(Title)			
<u>2961 E. Cooley</u>			
<u>Show Low</u>	<u>Az</u>	<u>85901</u>	
(Street)	(City)	(State)	(Zip)
<u>928) 5371557</u>			
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>Lordh2oco@aol.com</u>			
On Site Manager: _____			
(Name)			

(Street)	(City)	(State)	(Zip)

Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____			

Statutory Agent: Thomas V. Lord
(Name)
2961 E. Cooley Show Low Az 85901
(Street) (City) (State) (Zip)
928) 537-5557
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)
Attorney: _____
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Lord Az Water Sys Inc

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	24,300	0	24,300
304	Structures and Improvements	14,500	5,800	8,700
307	Wells and Springs	59,241	23,696	35,545
311	Pumping Equipment -	52,976	14,730	38,246
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	75,583	33,224	42,359
331	Transmission and Distribution Mains	572,952	270,340	302,612
333	Services			
334	Meters and Meter Installations	750	304	446
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	520	508	12
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,695	983	712
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	802,517	349,585	452,932

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Lord Az Water

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization		5 %	
302	Franchises			
303	Land and Land Rights	24,300		0
304	Structures and Improvements	14,500		725
307	Wells and Springs	59,241		2,962
311	Pumping Equipment	52,976		2,649
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	75,583		3,779
331	Transmission and Distribution Mains	572,952		29,051
333	Services			
334	Meters and Meter Installations	750		38
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	520		26
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,695		85
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	802,517		39,315

This amount goes on Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME	Lord Ar water
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BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 2,462	\$ 472
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 2,462	\$ 472
	FIXED ASSETS		
101	Utility Plant in Service	\$ 802,517	\$ 802,517
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	310,270	349,585
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 492,247	\$ 452,932
	TOTAL ASSETS	\$ 494,709	\$ 453,404

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Lord Ar Water

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 271,185	\$ 271,185
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		2,450
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	26,205	20,686
	TOTAL CURRENT LIABILITIES	\$ 297,390	\$ 294,321
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 6100	\$ 6100
211	Paid in Capital in Excess of Par Value <i>PREFERRED</i>	425,299	425,299
215	Retained Earnings	<234,080>	<272,316>
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 197,319	\$ 159,083
	TOTAL LIABILITIES AND CAPITAL	\$ 494,709	\$ 453,404

COMPANY NAME

Lord A₂ Water**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 92,683	\$ 90,988
460	Unmetered Water Revenue		
474	Other Water Revenues	180	8,121
	TOTAL REVENUES	\$ 92,863	\$ 99,109
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 30,219	\$ 41,668
610	Purchased Water	5,072	7,481
615	Purchased Power	7,683	6,163
618	Chemicals		
620	Repairs and Maintenance	8,110	11,418
621	Office Supplies and Expense	1,846	4,122
630	Outside Services	1,167	7,214
635	Water Testing	8,463	7,622
641	Rents	49	
650	Transportation Expenses	1,023	155
657	Insurance - General Liability	1,433	1,316
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	2,643	630
403	Depreciation Expense	38,381	39,315
408	Taxes Other Than Income	4,945	51
408.11	Property Taxes	4,609	9,145
409	Income Tax	45	45
	TOTAL OPERATING EXPENSES	\$ 115,691	\$ 136,345
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 195	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 195	\$ 0
	NET INCOME/(LOSS)	\$ (22,633)	\$ (37,236)

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 2,700

Meter Deposits Refunded During the Test Year

\$ 0

COMPANY NAME

Lord Ar water

WATER COMPANY PLANT DESCRIPTIONWELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-504124	5	25	825	5		2
504318	5	13	1000	5		
505642	15	35	1065	8		

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Cedar Grove		1,609

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	1	
2	1		
5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20000	1	2000	2
10000	1	119	1
15000	2		

COMPANY NAME

Lord Pt Water

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: LORD Ar

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	228	416056	
FEBRUARY	231	713170	
MARCH	233	564588	
APRIL	233	465471	
MAY	234	770721	
JUNE	238	1062333	
JULY	240	1069300	
AUGUST	242	1063376	
SEPTEMBER	243	1010534	
OCTOBER	247	1006554	
NOVEMBER	252	850933	
DECEMBER	252	608600	
TOTAL		N/A	

9601666 gpm

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: NA

What is the level of arsenic for each well on your system. <.003 mg/l

(If more than one well, please list each separately)

<.003
.05

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Apache County Treasurer, St. Johns, AZ

RECEIPT

YEAR 2002

PAYOR _____

PARCEL NO. 121-30-900

TAX AMOUNT

INTEREST

5% PENALTY

REDEMP. FEE

REFUND

OTHER

TOTAL

PAID

APR 12 2002

BETTY M. MONTOYA
APACHE COUNTY TREASURER

Apache County Treasurer, St. Johns, AZ

RECEIPT

YEAR 2002

PAYOR _____

PARCEL NO. 121-30-900

TAX AMOUNT

INTEREST

5% PENALTY

REDEMP. FEE

REFUND

OTHER

TOTAL

PAID

OCT 11 2002

BETTY M. MONTOYA
APACHE COUNTY TREASURER

COMPANY NAME LORD AR WATER YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 3699.¹⁸

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

Apache County Treasurer, St. Johns, AZ

RECEIPT

YEAR _____

PARCEL NO. _____

PAYOR _____

TAX AMOUNT

INTEREST

5% PENALTY

2% EMP. FEE

REFUND

OTHER

TOTAL

PAID
OCT 11 2002
BETTY M. MONTOYA
APACHE COUNTY TREASURER

COMPANY NAME Lord A~ Water YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 45

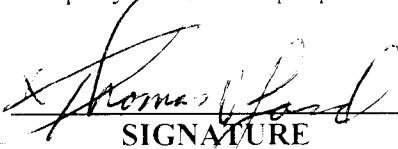
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

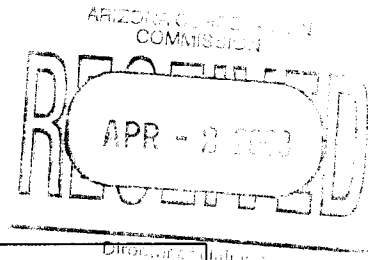

SIGNATURE

4-1-03
DATE

Thomas V. Lord
PRINTED NAME

Pres
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Apache</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Thomas V Lord</u>
COMPANY NAME	<u>Lord Az Water</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 99,129

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 5,446

IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Thomas V Lord
SIGNATURE OF OWNER OR OFFICIAL
9285371557
TELEPHONE NUMBER

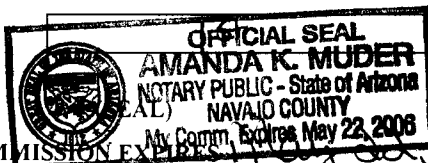
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

COUNTY NAME	<u>Navajo</u>
MONTH	<u>April</u> 20 <u>03</u>

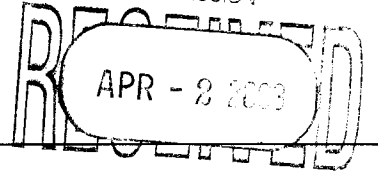


Amanda K Muder
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 22, 2006

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Apache</u>	
NAME (OWNER OR OFFICIAL) <u>Thomas V. Lord</u>	TITLE <u>Pres</u>
COMPANY NAME <u>Lord Ar Water</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 99,109

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 5446
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Thomas V. Lord
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

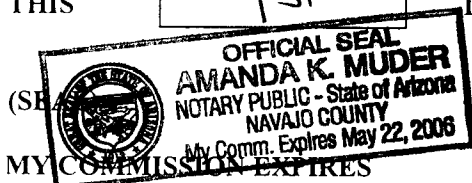
THIS

1st

DAY OF

NOTARY PUBLIC NAME <u>Amanda K Muder</u>	
COUNTY NAME <u>Navajo</u>	
MONTH <u>April</u>	YEAR <u>20 03</u>

(SEAL)



Amanda K Muder
SIGNATURE OF NOTARY PUBLIC